

Herald INTERNATIONAL Tribune

Tokyo's America-Bashers

What is to be made of the curious and troubling pattern of disparaging remarks about Americans by Japanese political figures? It is not that some American officials have not themselves indulged in Japan-bashing. But the statements from Tokyo have become in their own right an American grievance, playing into trade frictions.

as a source of some part of the difficulty. It seems crude of the Japanese to lament the "laziness" of American workers at a time when many workers are struggling to find or keep work. Comments on the poor quality of U.S. workmanship ignore the excellent record of American workers who build Japanese cars in the United States and send American products to Japan.

To Central Asia, Calmly

The Bush administration is right to speed the posting of new American ambassadors to Azerbaijan and the former Soviet Central Asian republics of Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. But Washington shows alarming signs of succumbing to a simplistic fear of a pan-Islamic bloc.

Iran hopes to draw the former Soviet republics into its orbit and has been aggressively wooing several of them. But Tehran's efforts face major obstacles. Most of these countries are Turkic in language and culture, not Persian, and many of their Muslim inhabitants are Sunnis, not Shiites.

Health-Plan Prognosis

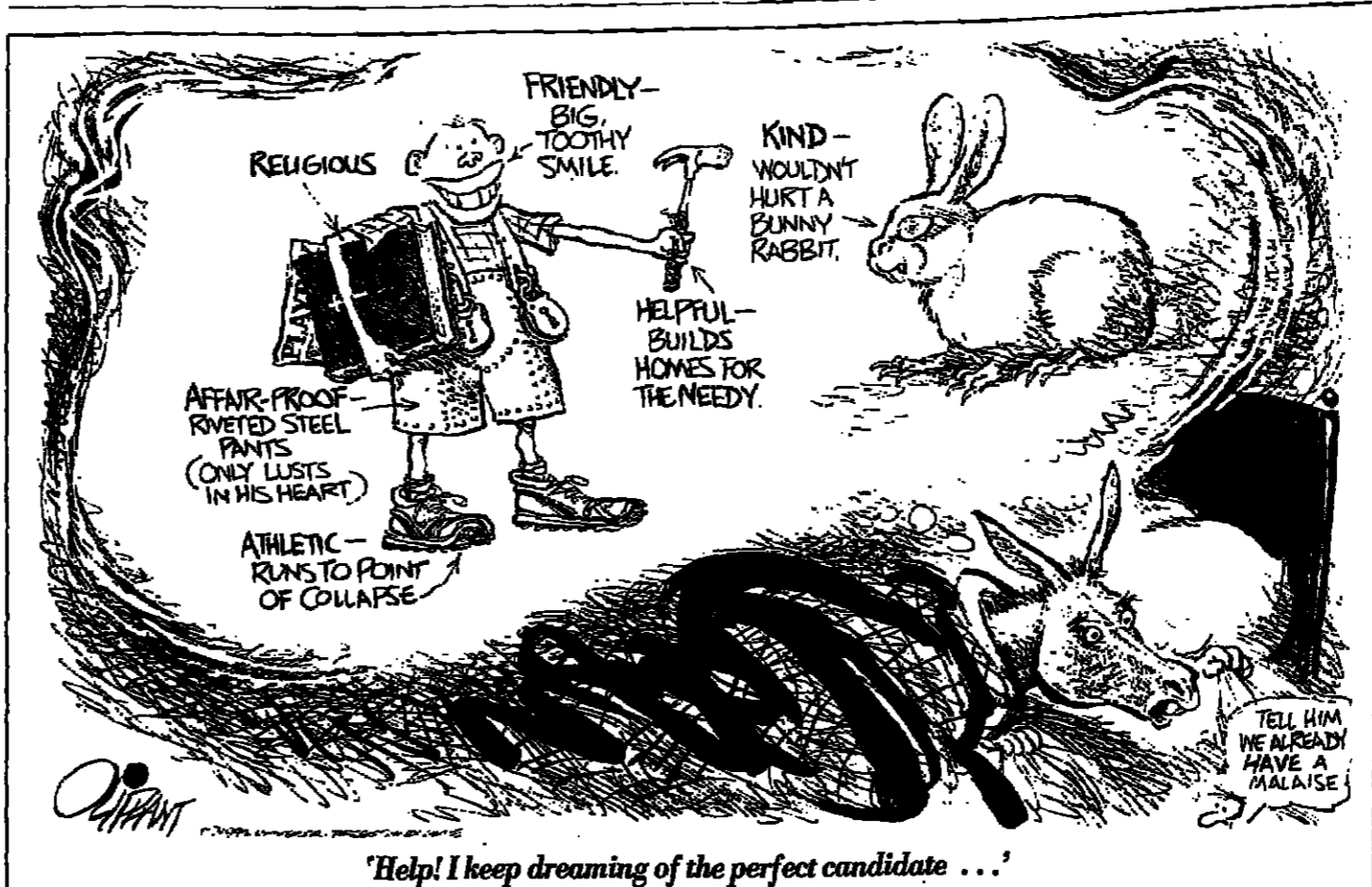
The defects of the health care plan that President Bush presented Thursday are easier to toll than his virtues. The all-too-familiar, contradictory problems with the current system are that it costs too much—more than \$1 of every \$9 that Americans now spend—yet leaves out a seventh of the population.

The administration estimated the cost at \$35 billion in the fifth year, when the plan would be fully implemented. At one point it was proposing to pay in part by reducing a tax break that now goes to the better-off insured and in part by putting cost controls on Medicare as well as Medicaid—the program for the elderly as well as the program for the poor.

Getting Intelligence Right

With general agreement that the passing of the Cold War dictates a review, the Congress has proposed a reorganization of America's intelligence agencies; the Bush administration's own plan is due soon. A similar initiative was launched in the Carter years. It, too, entailed challenges to existing turf. It succumbed to the weight that the Pentagon was able to wield at a time of prominent Soviet threat.

tor. Robert Gates, has incurred heavy obligations to stay on Capitol Hill's good side. Not that the Boren-McCurdy proposals should be whooped through. They are complex and will require hard scrutiny. Some heavy turf wars are ensured by the fact that the proposals undertake to move around the expensive intelligence assets (satellites, electronics) of the collection agencies. Further controversy is added by the proposal to empower a new director of National Intelligence to run separate bodies dealing with collection, analysis and clandestine operations; this last function would be reserved for a much-reduced CIA. Pooling the different departments' now-dispersed analysis capabilities is a keen issue: One bureaucrat's streamlining is another's stifling of healthy competitive analysis.



1932 and 1992: Anger, Ugliness and Opportunity

NEW YORK — Nineteen ninety-two could be as seminal a political year as 1932. Perhaps more than the presidential hopefuls realize, Americans fear the future and are open to profound change—far more than in pivotal election years like 1960 and 1980. The candidate who catches and defines today's shapeless and plastic anxieties could harness a force as strong as the one that carried Franklin Roosevelt to the White House.

By Leslie H. Gelb
1980 when voters were merely interested in "change" or "new leadership." The historian Arnold Toynbee wrote of the early 1930s that "men and women all over the world were seriously contemplating and frankly discussing the possibility that the Western system of society might break down and cease to work."

Moynihan laments "the savage prospect" of states legislating no help for new children born to mothers on welfare. "Can you imagine that?" he asks. The previously unimaginable now can become law. Public opinion soundings begin to echo that volatility. A CNN/USA Today survey in January showed an astonishing 55 percent of Americans saying that the economy needs a "complete overhaul."

A Need for Will and Energy, Not Hollow Victory Cries

NEW YORK — Nations, like individuals, like to be flattered, and all too often leaders oblige. The top nations of Europe used to indulge in bombastic rhetoric in which the past would often be distorted and the present disguised. America should not succumb to such stratagems. And yet President George Bush's State of the Union address was an egregious example of this type of ritualistic delusion.

By Fritz Stern
To trumpet victory by distorting the record is a dangerous tactic. To use "the defining moment" to lull a people into a false sense of security is especially dangerous. How can one say that America remains "the economic leader of the world" after years of decline? After the demeaning trip to Tokyo? Mr. Bush claimed, "We are still an ever the freest nation on earth, the kindest nation on earth, the strongest nation on earth."

and costly, but global preeminence based on domestic fragility is particularly precarious. To face this contradiction demands realism. Analogies are always approximate; but Mr. Bush's tone recalls the time at the beginning of this century when Germany was Europe's preeminent power and its leaders were filled with uneasy hubris that inspired a kind of political autism and a catastrophic overestimation of their power.

Of German Nationalism

By Jochen Thies
BONN — People in Western Germany don't like to hear it, but the reality of reunified Germany is that it is a predominantly Protestant country now, with a strong Roman Catholic minority, and that it will increasingly be turning toward Central Europe. "We are the new East Prussians of Germany," Manfred Stolpe, president of Brandenburg state, which surrounds Berlin, said recently. A nascent trend toward nationalism, as apparently revealed by a recent survey of German political attitudes (IHT, Jan. 30), can still be stopped or diverted—but not without strong political leadership.

By Fritz Stern
The world "now recognized one sole and preeminent power, the United States." But it is wise to believe that the world trusts America to be "fair and restrained" and "to do what's right?" With assumptions such as these Americans are likely to become deaf or insensitive to the world outside. In the country's great moments of constructive resistance, as during the Berlin airlift, American leaders spoke more modestly. Preeminence is ever uncomfortable.

Californians Will Manage, Thank You

By A. M. Rosenthal
LOS ANGELES — Somewhere in this state, there must be Californians so interested in how the New Hampshire primary will go that it will influence their own thinking or voting. There must be. The press, television and politicians keep hammering it into our heads that New Hampshire voting is hugely important and will affect the nation.

The Choice Of Green Or Growth

By Stephen S. Rosenfeld
WASHINGTON — The latest alarm about the wasting of the ozone layer draws the attention even of casual environmentalists to what appears to be a dismal mismatch between the economic forces degrading the world environment and the political forces mobilized to protect it. Michael Weisskopf of The Washington Post recently sized up the environment as an issue in the American political campaign: Minimal and fading, he found it. Some observers discern vigorous stirrings at the international grass roots. But environmental movement seem to be concentrating on the hope that a galvanizing jolt will be delivered to world consciousness by the United Nations "Earth Summit" of world leaders in June.

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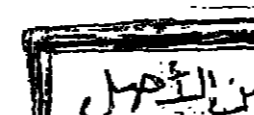
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

- 1892: Socialist Protest
BRUSSELS — A large meeting of Radicals was held here yesterday [Feb. 8] at which MM. Janson, Cleslin, Demblon, Anseele and other advanced leaders took part. They stated they would insist on the removal of the Monarchy and the establishment of a Republic. An open-air demonstration in favor of universal suffrage had been organized by the Brussels Socialists. Despite torrents of rain a crowd assembled at the place du Congrès, and the Socialist leader Voldeps was beginning a speech when an order came from the Burgomaster prohibiting the meeting. The crowd dispersed, singing the "Marseillaise," and shouting "Vive la République!"
- 1917: California Is Sunk
LONDON — The Germans replied to President Wilson's speech by sinking the Anchor Line steamship California, bound from New York to Glasgow. The vessel was torpedoed with only one warning whatsoever. Forty-one persons were killed or drowned, and a large number injured. Survivor Mr. Alfred Knox said that the steamer's stern was almost flush with the sea when he jumped into a lifeboat. He saw several bodies floating in the sea. The California carried guns for defense, but did not detect the submarine in time for their use.
- 1942: Japanese Air Raid
RANGOON — [From our New York edition:] Japanese bombers swept over Rangoon early today [Feb. 8] and subjected this great Burma Road terminus to its heaviest night raid of the war. For three hours the Japanese attacked in waves, concentrating again on the airbase just north of Rangoon. In their fourth successive night raid, the Japanese were evidently trying desperately to knock out Allied air power in Burma before attempting to advance in force across the broad Hlawein River one hundred miles to the east.

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Chairman from 1938 to 1982: John Hay Whitney
Editor for Asia: Michael Richardson, 3 Cantonment Rd., Singapore 0511. Tel. 472-7768. Telex: RS26928
Mng. Dir. Asia: Roy D. Kramarick, 30 Gloucester Rd., Hong Kong. Tel. 3610616. Telex: 363209
Mng. Dir. U.K.: Garry Thomas, 62 Long Acre, London WC2E. Tel. 336-8332. Telex: 363209
Gen. Mng. Germany: W. Lauerbach, Friedrichstr. 15, 1000 Frankfurt/M. Tel. (069) 737573. Telex: 416721
Free U.S.: Michael Conroy, 450 Third Ave., New York, N.Y. 10022. Tel. (212) 755-3890. Telex: 437175
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NYSE

Friday's Closing
Tables include the nationwide prices to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

| Symbol | High | Low | Open | Close | Change |
|------------|--------|--------|--------|--------|--------|
| IBM | 111.25 | 110.50 | 110.75 | 111.00 | +0.25 |
| Microsoft | 55.00 | 54.00 | 54.50 | 54.75 | +0.25 |
| Apple | 45.00 | 44.00 | 44.50 | 44.75 | +0.25 |
| Oracle | 35.00 | 34.00 | 34.50 | 34.75 | +0.25 |
| Novell | 25.00 | 24.00 | 24.50 | 24.75 | +0.25 |
| Lotus | 15.00 | 14.00 | 14.50 | 14.75 | +0.25 |
| McAfee | 10.00 | 9.50 | 9.75 | 9.75 | 0.00 |
| CompuLink | 8.00 | 7.50 | 7.75 | 7.75 | 0.00 |
| CompuShare | 7.00 | 6.50 | 6.75 | 6.75 | 0.00 |
| CompuLink | 6.00 | 5.50 | 5.75 | 5.75 | 0.00 |
| CompuShare | 5.00 | 4.50 | 4.75 | 4.75 | 0.00 |
| CompuLink | 4.00 | 3.50 | 3.75 | 3.75 | 0.00 |
| CompuShare | 3.00 | 2.50 | 2.75 | 2.75 | 0.00 |
| CompuLink | 2.00 | 1.50 | 1.75 | 1.75 | 0.00 |
| CompuShare | 1.00 | 0.50 | 0.75 | 0.75 | 0.00 |

| Symbol | High | Low | Open | Close | Change |
|-----------|-------|-------|-------|-------|--------|
| AT&T | 45.00 | 44.00 | 44.50 | 44.75 | +0.25 |
| WorldCom | 35.00 | 34.00 | 34.50 | 34.75 | +0.25 |
| Sprint | 25.00 | 24.00 | 24.50 | 24.75 | +0.25 |
| Verizon | 15.00 | 14.00 | 14.50 | 14.75 | +0.25 |
| Qwest | 10.00 | 9.50 | 9.75 | 9.75 | 0.00 |
| Southwest | 8.00 | 7.50 | 7.75 | 7.75 | 0.00 |
| Delta | 7.00 | 6.50 | 6.75 | 6.75 | 0.00 |
| American | 6.00 | 5.50 | 5.75 | 5.75 | 0.00 |
| United | 5.00 | 4.50 | 4.75 | 4.75 | 0.00 |
| Southwest | 4.00 | 3.50 | 3.75 | 3.75 | 0.00 |
| Delta | 3.00 | 2.50 | 2.75 | 2.75 | 0.00 |
| American | 2.00 | 1.50 | 1.75 | 1.75 | 0.00 |
| United | 1.00 | 0.50 | 0.75 | 0.75 | 0.00 |

| Symbol | High | Low | Open | Close | Change |
|-------------------|-------|-------|-------|-------|--------|
| General Electric | 35.00 | 34.00 | 34.50 | 34.75 | +0.25 |
| Westinghouse | 25.00 | 24.00 | 24.50 | 24.75 | +0.25 |
| Johnson & Johnson | 15.00 | 14.00 | 14.50 | 14.75 | +0.25 |
| Pfizer | 10.00 | 9.50 | 9.75 | 9.75 | 0.00 |
| Merck | 8.00 | 7.50 | 7.75 | 7.75 | 0.00 |
| Novartis | 7.00 | 6.50 | 6.75 | 6.75 | 0.00 |
| Roche | 6.00 | 5.50 | 5.75 | 5.75 | 0.00 |
| Schering-Plough | 5.00 | 4.50 | 4.75 | 4.75 | 0.00 |
| Amgen | 4.00 | 3.50 | 3.75 | 3.75 | 0.00 |
| Genentech | 3.00 | 2.50 | 2.75 | 2.75 | 0.00 |
| Amgen | 2.00 | 1.50 | 1.75 | 1.75 | 0.00 |
| Genentech | 1.00 | 0.50 | 0.75 | 0.75 | 0.00 |

| Symbol | High | Low | Open | Close | Change |
|------------------|-------|-------|-------|-------|--------|
| Boeing | 45.00 | 44.00 | 44.50 | 44.75 | +0.25 |
| Lockheed Martin | 35.00 | 34.00 | 34.50 | 34.75 | +0.25 |
| Northrop Grumman | 25.00 | 24.00 | 24.50 | 24.75 | +0.25 |
| Raytheon | 15.00 | 14.00 | 14.50 | 14.75 | +0.25 |
| Boeing | 10.00 | 9.50 | 9.75 | 9.75 | 0.00 |
| Lockheed Martin | 8.00 | 7.50 | 7.75 | 7.75 | 0.00 |
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| Raytheon | 2.00 | 1.50 | 1.75 | 1.75 | 0.00 |

| Symbol | High | Low | Open | Close | Change |
|---------------|-------|-------|-------|-------|--------|
| 3M | 35.00 | 34.00 | 34.50 | 34.75 | +0.25 |
| Eastman Kodak | 25.00 | 24.00 | 24.50 | 24.75 | +0.25 |
| Amgen | 15.00 | 14.00 | 14.50 | 14.75 | +0.25 |
| Genentech | 10.00 | 9.50 | 9.75 | 9.75 | 0.00 |
| Amgen | 8.00 | 7.50 | 7.75 | 7.75 | 0.00 |
| Genentech | 7.00 | 6.50 | 6.75 | 6.75 | 0.00 |
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| Genentech | 3.00 | 2.50 | 2.75 | 2.75 | 0.00 |
| Amgen | 2.00 | 1.50 | 1.75 | 1.75 | 0.00 |
| Genentech | 1.00 | 0.50 | 0.75 | 0.75 | 0.00 |

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| Genentech | 8.00 | 7.50 | 7.75 | 7.75 | 0.00 |
| Amgen | 7.00 | 6.50 | 6.75 | 6.75 | 0.00 |
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| Amgen | 5.00 | 4.50 | 4.75 | 4.75 | 0.00 |
| Genentech | 4.00 | 3.50 | 3.75 | 3.75 | 0.00 |
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| Genentech | 7.00 | 6.50 | 6.75 | 6.75 | 0.00 |
| Amgen | 6.00 | 5.50 | 5.75 | 5.75 | 0.00 |
| Genentech | 5.00 | 4.50 | 4.75 | 4.75 | 0.00 |
| Amgen | 4.00 | 3.50 | 3.75 | 3.75 | 0.00 |
| Genentech | 3.00 | 2.50 | 2.75 | 2.75 | 0.00 |
| Amgen | 2.00 | 1.50 | 1.75 | 1.75 | 0.00 |
| Genentech | 1.00 | 0.50 | 0.75 | 0.75 | 0.00 |

ECONOMIC
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INTEREST RA

Currency Deposits

Money Rates

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Money Rates

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ECONOMIC SCENE

Can the Free Market Plug The Hole in the Ozone?

By Sylvia Nasar
NEW YORK — Creating free markets in Russia and other poor countries may do more to slow global warming...

To a large extent, environmental problems are the consequence of policies that are misguided on narrow economic grounds...

Energy subsidies, economists say, can carry large environmental costs. Energy subsidies, economists say, are a prime example of misguided policies...

AND IF ALL developing nations eliminated their energy subsidies, the authors of the study say, global carbon emissions would fall by 10 percent...

To achieve a reduction in worldwide emissions as big as 10 percent, the authors say, the world's rich countries would have to adopt a \$40-a-ton carbon tax...

In any case, Third World countries are under extreme pressure to improve the performance of their economies. Mexico and Venezuela recently tripled subsidized domestic gasoline prices...

Some environmentalists play down the significance of such reforms. "Freeing energy prices doesn't promptly produce energy savings because the infrastructure and technology aren't there," said Amory Lovins...

Minolta Must Pay Honeywell

U.S. Court Settles Key Patent Case

NEWARK, N.J. — A federal jury on Friday ordered Minolta Camera Co. of Japan to pay \$96.35 million to Honeywell Inc. of the United States for infringing on Honeywell patents in making autofocus cameras...

The jury found Minolta had infringed on three of four Honeywell patents in producing the Maxxum autofocus camera. But the jury found the infringement had not been willful, and awarded compensatory but not punitive damages...

The four-month patent trial — 76 days of technical testimony, 12,000 pages of transcripts, thousands of engineering and financial exhibits — went to the jury Jan. 29.

The Honeywell lawsuit against Minolta was filed in 1987 but became bogged down in the courts. Honeywell charged that it shared trade secrets with Minolta in 1979 in exchange for an agreement that a Honeywell autofocus module would be included in Minolta cameras...

Honeywell sought at least \$174 million in royalties for the patent infringement and an unspecified amount for violating a contract concerning the trade secrets. The jury found there had been no breach of contract.

"We are delighted," said Alvin Medved, an attorney for Honeywell. "The jury sent a message that you can't infringe a patent and get away with it."

He said the company expected to file additional lawsuits against other camera companies that he said had infringed on the same patents. In their closing arguments, Minolta's lawyers attacked the Honeywell patents as "paper patents" — unused, invalid and duplicative of a 1973 German patent never registered in the United States.

Mr. Graff argued that Honeywell, facing failure in its photographic division, had turned to the courts in an attempt to benefit from Minolta's success.

Europe Calls for Freer Telecom Exports

By John Markoff
NEW YORK — In a policy shift reflecting the end of the Cold War, three European countries have proposed to their Western allies that they drop virtually all restrictions on exporting civilian telecommunications gear, according to people familiar with the discussions.

The proposal, generated by the frustration felt by European telecommunications manufacturers eager to modernize the former Soviet Union's telephone system, would effectively remove U.S. veto power over the sale of fiber-optic and related communications equipment.

Germany, the Netherlands and Italy introduced the proposal last week in Paris to a working group of the Coordinating Committee for Multilateral Export Controls, or Cocom.

The committee is the Western agency long responsible for coordinating trade restrictions on the Soviet Union and its allies. Eight other European nations have said they will support the proposal, while U.S. representatives are expected to seek delays to study its impact.

Separately, a group of 10 U.S. government officials is preparing to leave Monday to inspect Carl Zeiss Jena, a manufacturing company in the former East Germany. Last year the company sold a high-speed fiber-optic cable to the Soviet Union, challenging U.S. and British attempts to limit modernization of the Soviet telephone system.

Ford Sets Job Cuts in U.K.

2,100 Affected, While BMW Will Trim 3,000 Posts

By Erik Ipsen
LONDON — Fresh signs of the dire conditions facing Britain's automobile makers emerged Friday with the announcement that Ford Motor Co., the market leader, will shed 2,100 jobs by year end.

Later in the day Vauxhall, the British unit of General Motors Corp., said it would cut 300 jobs at its warehousing operation. In a similar move, Bayerische Motoren Werke AG said it was eliminating 3,000 jobs by the end of the year. Reuters reported from Bonn, that move, designed to cut costs and retain competitiveness, came a day after Mercedes-Benz AG said it might shrink its work force as it cuts back production.

The announcements highlight the tremendous problems facing much of automobile industry in Europe. Renault, the French carmaker, expects to eliminate about 3,700 jobs this year, while Peugeot SA will cut its work force by 1,400 and Fiat SpA has announced job cuts as well.

In Britain, not only are car sales at their lowest levels in a decade but manufacturers face growing pressure from such Japanese carmakers as Toyota Motor Corp., Nissan Motor Co. and Honda Motor Co., which are racing to complete new plants or expand.

"Production from new Japanese car plants adds to vehicle overcapacity in Europe," said Ian McAlister, chairman of Ford of Britain. Car analysts say that it is not just the volume of Japanese production, expected to exceed 1 million cars by the year 2000, but the cost of that production that has spawned profound insecurity in the industry.

The Japanese manufacturers can make a car in their new plants in a fraction of the number of man hours that it takes the long-established players like Ford, which has been turning out cars in Britain since 1911 and at its oldest site, in See FORD, Page 11

Protectionist Label Sticks to U.S., Too

By Keith Bradsher
WASHINGTON — Both President George Bush and Democrats want Japan and other countries to open their markets to American goods, but in the international trade debate, the United States does not come to the table with clean hands.

The United States insists it is less protectionist than Japan and other major trading partners. But many barriers remain. Quotas double the price of sugar and limit imports per American to no more than seven peanuts, a pound (454 grams) of dairy cheese and a lick of ice cream each year.

Fresh cream and milk are banned. Frozen cream may be purchased only from New Zealand. And the Customs Service recently turned back a shipment of croissants from France because it violated a quota on French butter shipments.

Imports of men's heavy and worsted wool suits are capped at 1.2 million, the equivalent of one for each male manager and professional every dozen years.

The Commerce Department has imposed punitive duties on martial arts uniforms from Taiwan, awning window cranks from El Salvador and the tiny pads for woodwind instrument keys from Italy after determining that

Barriers remain, limiting each American to seven imported peanuts, a pound of dairy cheese and a lick of ice cream each year.

they were being sold at unfairly low prices, a practice known as dumping. This sprawling and inconsistent collection of quotas, tariffs and other barriers reflects lobbying by many industries, as well as the occasional national-security concern. The result has been higher prices for Amer-

Senator Says U.S. Won't Back IMF Capital Rise

By David Hoffman
WASHINGTON — The chairman of a key Senate subcommittee on foreign aid has said that Congress will not approve this year a \$12 billion U.S. infusion for the International Monetary Fund despite the growing demands on the world financial organization.

"There's just not the support on the Hill for it," Senator Patrick J. Leahy, Democrat of Vermont, said in an interview on Thursday, referring to political opposition to foreign aid commitments.

The Bush administration's budget sought the money as part of a global effort to boost the IMF's capital. Mr. Leahy, who is chairman of the foreign operations subcommittee of the budget-making Appropriations Committee, said the IMF has sufficient funds to handle demands from countries such as the former Soviet republics that are trying to establish free-market economies.

But Mr. Leahy's comments came just as Western leaders are pressing for early entry into the IMF and World Bank for Russia and the

other large republics. This would pave the way for the IMF to help them with financial restructuring.

Secretary of State James A. Baker 3d told the House Foreign Affairs Committee on Thursday that the administration wants Russia and other new nation states admitted "as quickly as possible," by spring or early summer. Mr. Baker said that would be a better route for Russia to obtain money it is seeking for currency stabilization than for the Western powers to contribute it directly.

The United States was among the nations that agreed in May 1990 to increase the IMF's capital by 50 percent, or \$60 billion; the U.S. share was to be about \$12 billion.

Volcker to Moscow? Paul A. Volcker, former chairman of the Federal Reserve Board, is considering a job as adviser to the Russian government, his office said Friday. The Associated Press reported from Washington. Mr. Volcker, 64, left his position as head of the U.S. central bank in 1987 after eight years in the post.

CURRENCY RATES

Table with columns for Currency, Unit, and Rate. Includes sub-sections for Cross Rates, Other Dollar Values, and Forward Rates.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Key Money Rates, and U.S. Money Market Funds. Includes sub-sections for Eurocurrency Deposits, Key Money Rates, and U.S. Money Market Funds.

U.S. Fails to Collect Most of S&L Fines

By Susan Schmidt
WASHINGTON — The federal government has collected only \$365,000 out of \$84 million in fines and repayments ordered in 55 major savings and loan criminal convictions, the General Accounting Office has told Congress.

"Someone in the federal government should be held accountable," said the GAO's associate director, Harold Valentine. "Not even a penny for every dollar" in fines and restitution ordered has been collected," he said on Thursday.

Members of a Senate Banking subcommittee, clearly exasperated by testimony of GAO officials, were also told that no one in the federal government was keeping track of how much was collected.

Mr. Valentine and the GAO's assistant director, Edward Stephenson, later estimated that if all 4,030 convictions in major bank and S&L loans cases since 1987 were considered, the government had collected about \$20 million out of \$1.3 billion in court-ordered fines and restitution. Many of the prosecutions occurred after 1989, when Congress began providing extra money to hire more attorneys and FBI agents to bring the cases.

The government also is seeking to recover billions of dollars in civil suits resulting from S&L and bank failures. Congress has authorized more than \$550 million for fiscal years 1990 through 1993 to press civil and criminal suits.

Brady Writes Off Broad Banking Bill

By Stephen Labaton
WASHINGTON — Treasury Secretary Nicholas F. Brady, all but abandoning President George Bush's sweeping recommendations to overhaul the banking system, has thrown his support behind the more modest approach taken by several measures now before Congress.

At a news conference Thursday, Mr. Brady urged passage of the competing proposals that would ease restrictions on interstate banking. He thus acknowledged that there was little chance for passage of the administration's broader package, which was reintroduced this week.

That bill would also permit commercial banks to affiliate more easily with investment banks and be owned by industrial enterprises, like General Motors Corp. and International Business Machines Corp.

Such measures were soundly rejected by Congress last year. They were challenged by some legislators as the kind of deregulation that caused the savings-and-loan debacle and opposed by lobbyists from Wall Street and the insurance industry, who feared encroachment into their businesses.

Instead, before recessing for Thanksgiving, Congress adopted a tough banking law that gave regulators more control over the banks and kept the insolvent fund that protects depositors afloat by providing it with an increase in its borrowing authority to at least \$70 billion. The president signed the bill in December.

Officially, Mr. Brady said the administration continued to endorse its broader banking plan, which was reintroduced by Representative Robert H. Michel of Illinois and Senator Bob Dole of Kansas. But he also clearly signaled that he did not believe Congress would adopt the legislation, even though it would remain an important issue during the political campaigns.

1992 The World's Rendezvous with Europe. The IHT is now inviting concerned international companies to sponsor its highly-regarded 1992 series, which will begin its 5th year in 1992 with seven new sections. Past sponsors of this series have included: ABB, AEROSPATIALE, ALCATEL, ALLIANZ, DIGITAL, EUROPAGES, FRANCE TELECOM INTERNATIONAL, GOLDSTAR, NOKIA, RHONE-POULENC, SABENA, TOSHIBA, WESTDEUTSCHE LANDESBANK, WORLD TRADE CENTER. For more information about participating as a sponsor for this widely-read series, please call Juanita Caspari in Paris at (33-1) 46 37 93 76, or call your local IHT representative. Herald Tribune

MARKET DIARY

Dollar Undermined By Poor Jobs Data

NEW YORK — The dollar closed sharply lower Friday, especially against the Deutsche mark, after weak U.S. jobs data dashed hopes for an early economic recovery.

Foreign Exchange

The dollar also closed at 1.3895 Swiss francs, after 1.4065, and at 5.3120 French francs, after 5.3740. The British pound rose to \$1.8385 from \$1.8207.

JOBS: Bleak Picture Hurts Stocks

(Continued from first finance page) market, concentrating on interest rates rather than the real economy, continued rising until the Fed signaled no change, then quickly reversed course.

N.Y. Stocks

during the afternoon, before recovering to close 30.19 points lower at 3,225.40.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Helsinki, Hong Kong, Brussels, Frankfurt, London, Milan, Madrid, Paris, Singapore, Stockholm, Toronto, Zurich, and others.

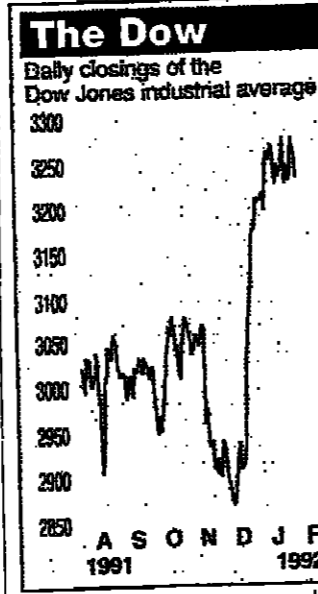


Table of Dow Jones Industrial Average components: Industrials, Utilities, Finance, SP 500, SP 100.

Table of NYSE Most Active stocks: Citicorp, RJR, PHLX, etc.

Table of NYSE Diary: Advanced Declines, Unchanged, Total Issues, etc.

Table of NASDAQ Diary: Advanced Declines, Unchanged, Total Issues, etc.

Table of Dow Jones Averages: Industrials, Utilities, Finance, SP 500, SP 100.

Table of Standard & Poor's Indexes: Industrials, Utilities, Finance, SP 500, SP 100.

Table of NYSE Indexes: Composite, Industrials, Utilities, Finance.

Table of NASDAQ Indexes: Composite, Industrials, Utilities, Finance.

Table of AMEX Stock Index: High, Low, Close, Chg.

Table of AMEX Most Active: O'Brien, US Bio, etc.

Table of NYSE Diary: Advanced Declines, Unchanged, Total Issues, etc.

Table of NASDAQ Diary: Advanced Declines, Unchanged, Total Issues, etc.

Table of EUROPEAN FUTURES: SUGAR (FOX), COCOA (FOX), etc.

Table of EUROPEAN FUTURES: BERAMON GOVERNMENT BOND (LIFES), GASOLIN (LIFES), etc.

Table of EUROPEAN FUTURES: BERAMON CRUDE OIL (LIFES), BERAMON CRUDE OIL (LIFES), etc.

Table of EUROPEAN FUTURES: COFFEE (FOX), WHITE SUGAR (METH), etc.

Table of EUROPEAN FUTURES: ALUMINUM (LIFES), COPPER CATHODES (LIFES), etc.

Table of EUROPEAN FUTURES: SUGAR (FOX), COFFEE (FOX), etc.

Table of EUROPEAN FUTURES: SUGAR (FOX), COFFEE (FOX), etc.

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Table of EUROPEAN FUTURES: SUGAR (FOX), COFFEE (FOX), etc.

Table of EUROPEAN FUTURES: SUGAR (FOX), COFFEE (FOX), etc.

Caterpillar to End Workers' Lockout

CHICAGO (Reuters) — Caterpillar Inc. said Friday that it would end its lockout of workers represented by the United Auto Workers and its lockout of workers represented by the United Auto Workers and its lockout of workers represented by the United Auto Workers.

Hurdle for BankAmerica Merger

OLYMPIA, Washington (Reuters) — A Washington state committee approved legislation Friday targeting the planned merger of BankAmerica Corp. and Security Pacific Corp.

\$80 Million Loss for Northwest Air

ST. PAUL, Minnesota (UPI) — Northwest Airlines posted on Friday a loss of \$79.2 million in the fourth quarter of 1991, an improvement over the comparable period in 1990 when the Twin Cities-based airline sustained a \$121.4 million loss.

Continental Air Swings to a Profit

HOUSTON (Bloomberg) — Continental Airlines Holdings posted a slim fourth-quarter profit Friday and said the improved results would help it emerge from Chapter 11 bankruptcy protection by July.

Digital Plans Vast Reorganization

MAYNARD, Massachusetts (AP) — Digital Equipment Corp. plans to reorganize most of its divisions as the struggling computer company seeks ways to cut costs, a Digital spokeswoman said Friday.

For the Record

Borden Inc. said that it had sold its Sooner Snacks Ltd. subsidiary in Britain to Dalgey PLC, and Dalgey said it paid £44 million (\$79.9 million).

U.S. FUTURES

Table of U.S. Futures: Grains, Soybeans, Metals, Livestock, and other commodities.

Vertical advertisements on the right margin, including 'PROTECT COMPANY', 'NASD', and 'U.S. / AT THE CLOSE'.

EUROPE

German Railways' Loss Grows

FRANKFURT — Deutsche Bundesbahn, Germany's national railway, said Friday in a provisional report that its loss deepened last year by 350 million Deutsche marks (\$222 million) to 3.3 billion DM.

manufacturing orders in the Western German; declined a provisional, seasonally adjusted 2.5 percent in December from November. Bloomberg Business News reported from Bonn.

West German Orders Fell in December

The Economics Ministry reported Friday that new manufacturing orders in the Western German; declined a provisional, seasonally adjusted 2.5 percent in December from November.

PROTECTION: U.S. Uses Some of the Trade Restrictions It Condemns

(Continued from first finance page) European Community have such barriers only for a sixth of their imports.

for goods, thanks to import fees and restrictions. That sum is equal to nearly a sixth of the nation's annual import bill of \$490 billion.

product quotas, mostly for apparel and agriculture, and a few tariffs that run as high as 458 percent, Mr. Bovard said.

COMPANY RESULTS

Table with columns for Company Name, Year, Revenue, Net Income, Per Share, and Dividend. Includes companies like KLM, Anheuser-Busch, and Marriot.

FORD: Automaker's U.K. Unit to Eliminate 2,100 Jobs and BMW 3,000

(Continued from first finance page) Dagenham, for more than 60 years. In addition, analysts say, Ford's work force, with an average age of 48, is the oldest in the industry.

Wolseley to Buy Brossette for 930 Million FF

LONDON — The plumbing company Wolseley PLC said Friday that it had agreed to buy Brossette SA, France's largest specialist supplier of plumbing equipment, for 930.95 million francs (\$173.2 million).

KLM and BA Play Down Report of Snag in Talks

AMSTELVEEN, Netherlands — KLM Royal Dutch Airlines and British Airways PLC moved on Friday to play down a report that their partnership talks have run into difficulties over a financial injection from BA into Northwest Airlines.

Lufthansa Leans Toward Delaying Plane Deliveries

Frankfurt — Deutsche Lufthansa AG said Friday it may postpone delivery of up to 11 aircraft due in 1993 in an effort to offset high costs and a worsening overcapacity problem.

Investor's Europe

Table showing stock market indices for Frankfurt DAX, London FTSE 100 Index, and Paris CAC 40, including daily and previous closing prices and percentage changes.

Very briefly:

- L'Oréal SA said consolidated revenue rose 10.2 percent to 33.44 billion francs (\$6.2 billion) last year, and said net profit, which was 1.82 billion in 1990, should grow at a "considerably greater rate than revenue."

No Pickup Seen for French Services

PARIS — Growth in the French services sector weakened further in the fourth quarter and the slowdown is likely to continue in the first quarter of 1992, the statistics office INSEE said Friday.

NASDAQ Friday's Prices

NASDAQ prices as of 4 p.m. New York time. The list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table listing NASDAQ stock prices with columns for High, Low, Stock, Div, Yld, PE, High, Low, P.A. Clng.

Large table listing various international stock market data, including company names, prices, and financial metrics.

Daiei Bids for Stake in Rival

TOKYO — Japan's biggest supermarket chain, Daiei Inc., made a partial takeover bid for Chujuitsuya Co. on Friday, offering 103 billion yen (\$821 million) for up to 42 percent of the rival supermarket company.

Under the bid, which had been expected, Daiei and its affiliated supermarket chain, Maruetsu Inc., offered 2,700 yen a share for a minimum of 21.5 million shares and a maximum of 38 million shares in Chujuitsuya, a medium-sized chain in the Tokyo area.

The two companies are seeking the 35 percent stake held by Shuwa Corp., a troubled real-estate company that is Chujuitsuya's biggest shareholder. If some other shareholders accept the offer, open for a three-week period beginning Saturday, Daiei and Maruetsu will end up with 42 percent of Chujuitsuya.

The Tokyo Stock Exchange suspended Chujuitsuya shares from trading on Friday. They were last quoted at 2,530 yen a share, giving Daiei's offer a 6.7 percent premium. Daiei's share price fell 20 yen Friday to 1,100 yen.

Daiei, which runs hotels, restaurants and credit

card services as well as a nationwide supermarket chain, had expressed its intention to bid for the stake in December. It forged a tie-up with Chujuitsuya at the time to strengthen sales and distribution networks, on the condition that Daiei get its hands on the Shuwa stake.

Chujuitsuya had previously resisted Daiei's advances but Daiei's chairman, Hitoshi Nakachi, said in December that Chujuitsuya had changed its mind after changes in business conditions and the death of its founding president.

Shuwa had already pledged its stake in Chujuitsuya as collateral for a 110 billion yen loan it received from Daiei to help it ride out financial difficulties.

Shuwa had tried to branch out of its real estate roots and form a retail conglomerate by borrowing heavily to buy stakes in several supermarket chains and department stores.

The big loans began to take a toll on the company in 1990 and 1991, however, when the Bank of Japan drove up interest rates sharply in an anti-inflation drive.

Thai Air Sets Target for Stock Offer

Compiled by Our Staff From Dispatches

BANGKOK — State-owned Thai Airways International Ltd. said Friday it intends to raise 5.5 billion to 6.5 billion baht (\$217 million to \$256 million) with an public offering of 100 million shares at 55 to 65 baht each.

The carrier told the Stock Exchange of Thailand that the offer, subject to confirmation by an extraordinary shareholders meeting on Feb. 19, will be open to subscription from March 16 to 27.

The shares to be floated were part of 300 million shares earmarked for the public. The airline said it has not decided on the timing of the flotation of the remaining 200 million shares.

The new shares are expected to start trading on the Bangkok exchange in April.

The national carrier this week decided to raise its capital to 16 billion baht from 2.23 billion. Apart from the 300 million shares set aside for the public, 1.077 billion new shares are being offered to existing stockholders at par, 10 baht each. Almost all of the airline's existing 223 million shares are owned by the government.

When all the new shares have been issued, the public will hold 18.8 percent of Thai Airways' capital.

The airline said foreigners would not be allowed to hold more than 10 percent of its shares.

It said a stockholders meeting this week decided that public shareholders can expect a 25 percent dividend. The company also projected a net profit of 5.17 billion baht in the year ending Sept. 30, up from 4.19 billion last year. It projected net would rise to 7.61 billion the following year.

(Reuters, Bloomberg)

Newest Mazda Aspires To Be an American

By Doron P. Levin

CHICAGO — Mazda Motor Corp. has offered solid evidence that its cars are becoming more American, introducing its new 626 compact model, which Mazda said would be the first "foreign" brand car to be classified as domestic for purposes of U.S. fuel-efficiency regulations.

Mazda introduced the car Thursday at the Chicago Auto Show. All of the 626's steel, glass, paint, electronics and major components — except the engine and transmission — are bought from U.S. suppliers.

Some of the suppliers are longtime American companies; others are owned by Japanese companies, and some are joint ventures of American and Japanese owners.

The United Automobile Workers union and other critics of Japan contend that Japanese automakers import many parts and relabel them as domestic after changing them only slightly.

The four-door Mazda 626 and the two-door MX-6, which are built at Mazda's assembly plant in Flat Rock, Michigan, will contain more than 75 percent domestic content.

Thus, the automaker expects the Environmental Protection Agency to classify the cars as "domestic" for purposes of complying with corporate average fuel economy regulations. Those rules require each automaker's fleet to deliver, on average, at least 27.5 miles a gallon (8.6 liters per 100 kilometers); import and domestic fleets are averaged separately.

Mazda's announcement came at a moment of sharp tension between the United States and its automakers and Japan and its auto industry. Big Three executives have been urging Washington to restrain Japanese sales as a way to forestall plant closings and layoffs in the United States.

Mazda and other Japanese automakers assert that they employ American workers and contribute substantially to American economic vitality. A key component of this argument has been stressing the domestic nature of some of the best-selling Japanese models.

The Japanese automakers have also promised to increase purchases of American-made automotive parts to help redress the trade imbalance.

But if Mazda is pleased with the American content of the 626, it does not plan to share that pride with consumers. Clark Vitulli, senior vice president of Mazda's American sales subsidiary, said Mazda would emphasize the domestic character of its vehicles to the news media and to politicians, but would probably not do so in its advertising.

The Japanese automakers are nervous about protectionist legislation developing in Congress, as well as what they see as nascent Japan-bashing.

Investor's Asia

| Hong Kong Hang Seng | Singapore Straits Times | Tokyo Nikkei 225 |
|---------------------|-------------------------|------------------|
| 490 | 180 | 2750 |
| 460 | 150 | 2300 |
| 430 | 140 | 2250 |
| 390 | | |

| | 1991 | 1992 | 1991 | 1992 | 2000 | % Change |
|----------------|------|------|--------------|-------------|------|----------|
| Exchange Index | | | Friday Close | Prev. Close | | |
| Hong Kong | | | 4,711.37 | 4,872.09 | | +0.84 |
| Singapore | | | 1,826.28 | 1,590.85 | | -0.23 |
| Sydney | | | 1,590.90 | 1,594.80 | | -0.30 |
| Tokyo | | | 22,107.12 | 22,104.92 | | +0.01 |
| Kuala Lumpur | | | 589.84 | 575.81 | | +2.44 |
| Bangkok | | | 780.08 | 771.09 | | +1.17 |
| Seoul | | | 690.89 | 690.84 | | +0.02 |
| Taipei | | | 5,237.37 | 5,391.63 | | -2.66 |
| Manila | | | 1,253.57 | 1,252.37 | | +0.10 |
| Jakarta | | | 294.22 | 287.06 | | +2.49 |
| New Zealand | | | 1,467.12 | 1,461.54 | | +0.38 |
| Bombay | | | 1,028.16 | 1,065.63 | | -3.52 |

Source: Reuters, AFP
International Herald Tribune

Very briefly:

- Toshiba Corp. is to unveil laser devices in the coming week that can achieve over twice the recording density of present optical disk systems.
- Cauffman Construction Ltd. won a 655 million Hong Kong dollar (\$84.5 million) contract to build a 32-story extension to the Peninsula Hotel.
- China exported ships worth \$528 million last year, up 13 percent from 1990; the vessels included container, oil tanker and cargo ships.
- Korea Telecom and Kokusai Denjin Denwa Co. of Japan have agreed with American Telephone & Telegraph Co. to build an underwater fiber optic telephone cable linking South Korea, Japan and Guam.
- The Philippines is hoping to preserve its deal with the International Monetary Fund to resume borrowing despite failing to raise taxes as much as the IMF wants, Finance Secretary Jesus Estanislao said.
- Japan has presented the Philippine government center south of Manila. development of a new export-oriented economic center south of Manila. AFX, AFP, Bloomberg, Reuters

GATT to Weigh China's Joining

Reuters

GENEVA — A GATT committee is to meet next week to consider China's request to rejoin the world trade body, a spokesman for the General Agreement on Tariffs and Trade said Friday.

The working party has not met since September 1990, when it was not clear whether GATT's 103 members would be ready to let China return to the organization. It left the body in 1949.

Beijing's crackdown on protesters in June 1989 led GATT to slow its processing of China's 1986 application to rejoin. GATT also has been eager to ensure that economic changes in China go far enough before approving the request.

Moody's Cuts Debt Ratings Of Japan's Big 4 Brokers

Agency France-Press

TOKYO — Moody's Investors Service Inc. said Friday it had cut long-term credit ratings for Japan's four main securities companies, citing pressures on earnings and increased competitive challenges.

The rating agency said the downgrading of the companies followed a four-month review that took into account last year's financial scandals and the continued weakness in Japanese stocks. The move affects Japan's long-term debt.

Moody's cut the long-term rating of Nomura Securities Co. and its British banking unit from Aaa to Aa2, while Daiwa Securities Co. and its Dutch unit had their ratings lowered from Aa2 to Aa3.

Nikko Securities Co. and its Hong Kong unit had their ratings

reduced from Aa2 to A1, as did Yamaichi Securities Co.

The agency said Nomura was facing a "more adverse competitive and regulatory environment."

It added, "The financial scandals of 1991 are likely to accelerate and intensify the pace of financial deregulation, which will pose substantial challenges and has the potential to increase competition and reduce returns."

Moody's also cited risks that Nomura could be called upon to assist affiliates in the brokerage, real estate and venture capital businesses. Similar problems were cited with Daiwa. In addition, Moody's said the brokerage's fixed cost base had "grown significantly in recent years and could be difficult to reduce."

(Reuters, Bloomberg)

AMEX

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

| High | Low | Open | Close | Change |
|-------|-------|-------|-------|--------|
| 30.00 | 29.75 | 30.00 | 29.80 | -0.20 |
| 30.10 | 29.85 | 30.10 | 29.90 | -0.20 |
| 30.20 | 29.95 | 30.20 | 30.00 | -0.20 |
| 30.30 | 30.05 | 30.30 | 30.10 | -0.20 |
| 30.40 | 30.15 | 30.40 | 30.20 | -0.20 |
| 30.50 | 30.25 | 30.50 | 30.30 | -0.20 |
| 30.60 | 30.35 | 30.60 | 30.40 | -0.20 |
| 30.70 | 30.45 | 30.70 | 30.50 | -0.20 |
| 30.80 | 30.55 | 30.80 | 30.60 | -0.20 |
| 30.90 | 30.65 | 30.90 | 30.70 | -0.20 |
| 31.00 | 30.75 | 31.00 | 30.80 | -0.20 |
| 31.10 | 30.85 | 31.10 | 30.90 | -0.20 |
| 31.20 | 30.95 | 31.20 | 31.00 | -0.20 |
| 31.30 | 31.05 | 31.30 | 31.10 | -0.20 |
| 31.40 | 31.15 | 31.40 | 31.20 | -0.20 |
| 31.50 | 31.25 | 31.50 | 31.30 | -0.20 |
| 31.60 | 31.35 | 31.60 | 31.40 | -0.20 |
| 31.70 | 31.45 | 31.70 | 31.50 | -0.20 |
| 31.80 | 31.55 | 31.80 | 31.60 | -0.20 |
| 31.90 | 31.65 | 31.90 | 31.70 | -0.20 |
| 32.00 | 31.75 | 32.00 | 31.80 | -0.20 |
| 32.10 | 31.85 | 32.10 | 31.90 | -0.20 |
| 32.20 | 31.95 | 32.20 | 32.00 | -0.20 |
| 32.30 | 32.05 | 32.30 | 32.10 | -0.20 |
| 32.40 | 32.15 | 32.40 | 32.20 | -0.20 |
| 32.50 | 32.25 | 32.50 | 32.30 | -0.20 |
| 32.60 | 32.35 | 32.60 | 32.40 | -0.20 |
| 32.70 | 32.45 | 32.70 | 32.50 | -0.20 |
| 32.80 | 32.55 | 32.80 | 32.60 | -0.20 |
| 32.90 | 32.65 | 32.90 | 32.70 | -0.20 |
| 33.00 | 32.75 | 33.00 | 32.80 | -0.20 |
| 33.10 | 32.85 | 33.10 | 32.90 | -0.20 |
| 33.20 | 32.95 | 33.20 | 33.00 | -0.20 |
| 33.30 | 33.05 | 33.30 | 33.10 | -0.20 |
| 33.40 | 33.15 | 33.40 | 33.20 | -0.20 |
| 33.50 | 33.25 | 33.50 | 33.30 | -0.20 |
| 33.60 | 33.35 | 33.60 | 33.40 | -0.20 |
| 33.70 | 33.45 | 33.70 | 33.50 | -0.20 |
| 33.80 | 33.55 | 33.80 | 33.60 | -0.20 |
| 33.90 | 33.65 | 33.90 | 33.70 | -0.20 |
| 34.00 | 33.75 | 34.00 | 33.80 | -0.20 |

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

| High | Low | Open | Close | Change |
|-------|-------|-------|-------|--------|
| 40.00 | 39.80 | 40.00 | 39.90 | -0.10 |
| 40.10 | 39.90 | 40.10 | 40.00 | -0.10 |
| 40.20 | 40.00 | 40.20 | 40.10 | -0.10 |
| 40.30 | 40.10 | 40.30 | 40.20 | -0.10 |
| 40.40 | 40.20 | 40.40 | 40.30 | -0.10 |
| 40.50 | 40.30 | 40.50 | 40.40 | -0.10 |
| 40.60 | 40.40 | 40.60 | 40.50 | -0.10 |
| 40.70 | 40.50 | 40.70 | 40.60 | -0.10 |
| 40.80 | 40.60 | 40.80 | 40.70 | -0.10 |
| 40.90 | 40.70 | 40.90 | 40.80 | -0.10 |
| 41.00 | 40.80 | 41.00 | 40.90 | -0.10 |
| 41.10 | 40.90 | 41.10 | 41.00 | -0.10 |
| 41.20 | 41.00 | 41.20 | 41.10 | -0.10 |
| 41.30 | 41.10 | 41.30 | 41.20 | -0.10 |
| 41.40 | 41.20 | 41.40 | 41.30 | -0.10 |
| 41.50 | 41.30 | 41.50 | 41.40 | -0.10 |
| 41.60 | 41.40 | 41.60 | 41.50 | -0.10 |
| 41.70 | 41.50 | 41.70 | 41.60 | -0.10 |
| 41.80 | 41.60 | 41.80 | 41.70 | -0.10 |
| 41.90 | 41.70 | 41.90 | 41.80 | -0.10 |
| 42.00 | 41.80 | 42.00 | 41.90 | -0.10 |
| 42.10 | 41.90 | 42.10 | 42.00 | -0.10 |
| 42.20 | 42.00 | 42.20 | 42.10 | -0.10 |
| 42.30 | 42.10 | 42.30 | 42.20 | -0.10 |
| 42.40 | 42.20 | 42.40 | 42.30 | -0.10 |
| 42.50 | 42.30 | 42.50 | 42.40 | -0.10 |
| 42.60 | 42.40 | 42.60 | 42.50 | -0.10 |
| 42.70 | 42.50 | 42.70 | 42.60 | -0.10 |
| 42.80 | 42.60 | 42.80 | 42.70 | -0.10 |
| 42.90 | 42.70 | 42.90 | 42.80 | -0.10 |
| 43.00 | 42.80 | 43.00 | 42.90 | -0.10 |
| 43.10 | 42.90 | 43.10 | 43.00 | -0.10 |
| 43.20 | 43.00 | 43.20 | 43.10 | -0.10 |
| 43.30 | 43.10 | 43.30 | 43.20 | -0.10 |
| 43.40 | 43.20 | 43.40 | 43.30 | -0.10 |
| 43.50 | 43.30 | 43.50 | 43.40 | -0.10 |
| 43.60 | 43.40 | 43.60 | 43.50 | -0.10 |
| 43.70 | 43.50 | 43.70 | 43.60 | -0.10 |
| 43.80 | 43.60 | 43.80 | 43.70 | -0.10 |
| 43.90 | 43.70 | 43.90 | 43.80 | -0.10 |
| 44.00 | 43.80 | 44.00 | 43.90 | -0.10 |

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Hard Times Put Shine on Hard Assets

EVERY profession has its own peculiar nightmare, the kind of professional horror story one practitioner takes perverse pleasure in telling another. For economists, especially government economists who are supposed to care about these things, the awkwardness of the U.S. economy over the last 18 months must provide a worthwhile anecdote, roughly on a par with obstetricians' tales of the ultimately undeliverable baby.

Small investors are very much sidelined in these macroeconomic events — but they should not be too concerned by the strange noises coming from the Washington delivery room. This week the latest wilder of the forces was Mr. Michael Boskin, the White House chief economic adviser, who indicated that the U.S. Federal Reserve should be prepared to ease interest rates yet further if the long-awaited economic recovery fails to materialize.

The failure of the U.S. economy to respond — so far — to what has already been somewhat drastic interest rate treatment has begun to cause alarm among some analysts. One sign of this unease is a call, among the weaker-minded at least, for an upward valuation in gold. There are some compelling arguments for gold's long-term strength. But saying that just about everything else is doing badly and therefore gold must be due for an uptick is most definitely not one of them. Some of the more undesirable circular letters are beginning to promote such sophisticated arguments. Readers are advised to watch out for them.

Far more interesting are the pessimists who call for a massive downturn in corporate dividends, and an end to the idea that an easing in interest rates automatically stimulates economies.

They would say that even if interest rates fell to half their present levels stock prices would still be hugely overvalued. Now such a radical shift of attitudes might be the beginning of a case for a shift toward tangible assets. Small investors, however, need bear in mind that even the most ardent gold bulls suggest — in their lucid periods — a holding of no more than 5 percent of assets. By this, they usually mean 5 percent of gold-mining shares held individually or through a mutual fund, as part of a portfolio of shares and bonds.

A further point is that real interest rates are at their lowest levels in years. Money is not expensive, and this provides homeowners with a good opportunity to be creative in what is the single most important piece of financial planning in many households. Those who can secure a fixed-rate mortgage for a set term will do badly only if the U.S. economy falls into a catastrophic depression. In that case only the most gloomy of the pessimists will be counting themselves clever.

For Depressed Computer Makers, Is There Nowhere to Go but Up?

By Philip Crawford

THE \$175 billion worldwide computer hardware industry is struggling to recover from a rocky 1991 that saw its two heavyweights — International Business Machines Corp. and Digital Equipment Corp. — staggered by the combination of decreased global spending and a trend toward smaller computers. Even some firms that specialize in personal computers, such as Compaq Computer Inc., saw earnings plummet. But there are also those companies which have weathered the past year's recessionary pummeling standing up, such as Apple Computer Inc.

The computer industry, however, is nothing if not paradoxical: Many corporations in direct, fierce competition end up in collaborative ventures with each other. Some analysts, moreover, are touting computer stocks as good buys where others see trouble. IBM, like a perennial championship team that suddenly has a losing season, is in a rebuilding phase, adjusting to a changing game in which the mainframe — the company's earnings star for decades — is no longer the darling of the corporate customer. And a bad year it was: The company posted a first-ever annual loss, \$564 million, which included a special fourth-quarter charge of \$3.4 billion as part of a sweeping decentralization and job cutback plan. By comparison, the company posted a profit of \$6.0 billion in 1990.

But many industry analysts, citing the potential of new IBM products and seeing a moderate overall recovery, say the world's largest computer manufacturer — and its share price — should rebound in 1992. "People were overly optimistic about IBM's ability to weather the downturn," said Philip Ruppel of Sanford C. Bernstein & Co. in New York, which has a buy recommendation on the company's stock. "But their restructuring and cost-cutting efforts will serve them well, and there's still a mainframe market, however reduced. I think their success in 1992 will hinge on how well their new System 390 generation of mainframes is received in the marketplace."

Mr. Ruppel added that IBM is putting more energy toward the development of its smaller computers, both PCs and the high-performance desktops known as work stations, to adapt to the changing market. Digital, an economy-sensitive giant like IBM, also fared badly amid the downturn and new consumer tastes. It piled up heavy losses — \$873 million in the second quarter alone after a \$1.1 billion restructuring charge — and laid off about 9,000 employees. Some analysts foresee a slingshot '92 as well.

"Digital is simultaneously trying to re-do its infrastructure and metamorphose its product line along industry trends," said Laura Conigliaro, an analyst with Prudential Bache Research in New York. "But I think they're further away from that adjustment than others in the industry, and I think their improvement in '92, assuming an overall upswing, will be labored."

But others are more sanguine about Digital's prospects. A favorable last quarter of '91, which some attribute to aggressively priced new VAX 4000 and VAX 6000 model computers, as well as imminent new technology, have bolstered some expectations. "I

rate it buy," said Mr. Ruppel. "based on a breakthrough chip design they have for work stations. It's part of their new 'Alpha' technology, and a lot of people think it'll do well."

Work stations are the fastest-growing segment of the industry, according to Ms. Conigliaro, who has buy recommendations on smaller companies that are stronger in that market — California-based Sun Microsystems Inc. and Hewlett-Packard Co. The upscale PCs are used in "open systems," an expanding technology that allows users to link up different types of computers in a single network.

Apple Computer Inc., which began and finished 1991 strongly but flattened out in the middle, is the PC company best positioned for the '90s, say many market watchers. Its earnings rose 10.3 percent in its financial first quarter ending in December, helped by sales of over 100,000 of its new PowerBook notebook computers. Sales of its Macintosh PC also rose 60 percent over its last full financial year.

"A major accomplishment for Apple," said Eugene Glazer of Dean Witter Reynolds in New York, "is that they've gained market share on a unit basis with the Macintosh, and that's made them a broader-based player. They've also cut costs substantially. And they've always had their own operating system, which sets them apart from the rest of the PC, or IBM-compatible, world, giving them only indirect, not direct competition."

Mr. Glazer stopped short of recommending Apple shares. "They're a bit pricey, right now, at about \$65," he said. But other industry analysts, notably Barry Bosak of Smith Barney, rate the stock a buy. Another similarly sized PC company, Compaq, had a disastrous 1991, Mr. Glazer said, because its premium pricing strategy backfired. That company, he said, faces more of the same problems in 1992.

Apple and erstwhile rival IBM have even consented to join forces in developing a new generation of PC technology, although many analysts remain skeptical that such a marriage, involving two such disparate corporate cultures, will ultimately succeed. Minnesota-based Cray Research Inc., which dominates the market for supercomputers, machines capable of billions of calculations per second often costing upwards of \$25 million, is also a good buy, Mr. Bosak said. "It's the only supercomputer that really works," he said. "They've kept their earnings power, and are introducing some less-expensive products, under \$1 million, that have customers flocking to their doors."

Cray, too, has been getting into the collaboration business. The company has struck a deal to co-develop supercomputers with Sun, while Digital will do some marketing work for Cray. Japanese telecommunications giant NEC Corp. also produces supercomputers, and recently claimed to have developed a faster model than Cray's top-of-the-line machine. NEC has yet to crack the U.S. market, however, because of political and military considerations.

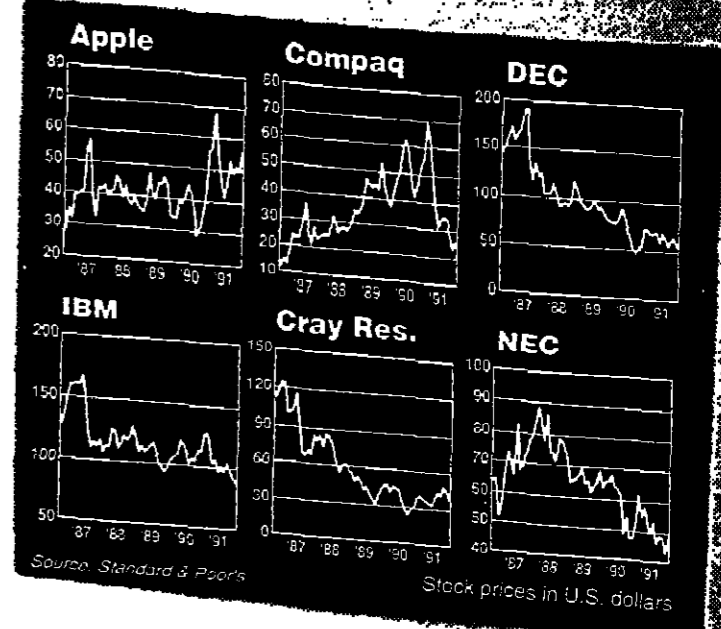
If, despite the burgeoning spirit of collaboration, investors wish to spread their risk among several stocks, mutual funds specializing in computer and technological firms are available. The mutual fund medi-

um is considered by many analysts to be the ideal vehicle for the smaller investor, with minimum investment levels frequently as low as \$1,000. The funds typically provide exposure to a wide range of different stocks.

"We see Apple as the best performer at present," said Richard Farrell, of Guinness Flight Fund Managers Ltd., a London investment firm. "Centrally because people are increasingly buying smaller computers, at which they excel, and buying fewer larger computers."

"The problem with IBM is that it looks like its stronger suits, such as software, will continue to have to bail out the weaker ones, such as the mainframes, where the market is ever-shrinking. If they were just a software company, they'd be brilliant."

Fidelity's Select-Computers fund is up 14.74 percent in 1992, after growing 30.75 percent during 1991. With a share currently priced at \$19.23. Another Fidelity fund, Select-Tech, priced at \$36.61, has grown 7.93 percent year-to-date, having leaped 59.97 percent last year, said a Fidelity spokesperson.



Stock prices in U.S. dollars

Tech Funds Performance

Value of \$100, income reinvested, excluding charges.

Table with columns: Fund, Domicile, Performance. Lists various tech funds like Premium Life Gbl Technology, Transamerica Cap Apprec, Putnam Emerging Int'l Science, etc., with performance data for 1992.

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BRIEFCASE

No Surprise Here — '91 Set Record for U.S. Stock Funds

Last year was the best ever for American equity mutual fund companies, as a net \$45.87 billion was placed in the hands of fund managers. That's 77 percent higher than the old record of \$25.89 billion set in 1986, according to data released by the Investment Company Institute, the American fund industry group. The strong cash inflow plus the outstanding performance of the stock market helped assets of equity funds to rise an exceptional 49 percent last year, to \$366.19 billion. The final totals got a big boost from the market's rally in December. Shareholders pumped \$11.1 billion into equity funds during the month, up substantially from \$3.7 billion in November and \$3.2 billion in December 1990. Equity fund assets, including capital gains, rose 11.3 percent during the month. The liquid asset ratio of equity funds — the percentage of their holdings that remain in cash and so is able to be put into the market — stood at 8.4 percent at year's end, down from 9.3 percent at the end of November and 11.3 percent at the end of 1990. Bond and income funds didn't do badly last year, either. They had a net cash inflow of \$84.01 billion, second best after 1986, when bond funds drew \$118.58 billion. Assets for the year were up 36.6 percent, to \$440.81 billion. Net cash flow into bond funds in December was \$6.8 billion.

EC's Financial and Fiscal Markets Still in Slow Lane

Belgium, Denmark, Germany and the Netherlands have all taken further steps in the slow process toward harmonization of European Community tax law. The latest issue of World Tax News, a quarterly bulletin from KPMG's worldwide tax practice, reports details of legislation enacted by these countries to bring them closer in line with the EC directive on direct taxation. All four countries have adjusted their position on withholding tax and the treatment of share dividend income. Germany and Denmark are among the Community's most diligent members in implementing directives from Brussels. It is already clear, however, that the single market in financial services will not be operational by its scheduled starting date at the beginning of next year. Hope for Foreign Investors in Chinese Stock Changes The two fledgling official Chinese stock exchanges, in Shanghai and Shenzhen, have aroused great interest from local investors since they opened little more than a year ago. Now foreign investors may soon be invited to participate in the speculative fray, according to the latest bulletin of the Investment Funds Newsfile, published by international law firm, Linklaters & Paines.

Reviving an Old Principle To Enliven EC Money Debate

A London economist has offered an original line of thought on an old debate. His views may afford considerable comfort to those skeptical about Europe's achieving a monetary (let alone economic) union. David Smith, chief economist at Williams de Broe, argues that the act of achieving monetary union will be destabilizing to the carefully aligned European currencies. His solution? A return to the gold standard, a popular concept between the two world wars. Now that, the skeptics would say, is progress.

Introductory Trial Value Line only \$95* advertisement. Includes text: If no member of your household has subscribed to Value Line in the past two years, you can now receive full-page analyses of about 130 American and Foreign stocks each week for the next 10 weeks for \$95*. We make this special offer because we have found that a high percentage of those who try Value Line for a short period stay with it on a long-term basis.

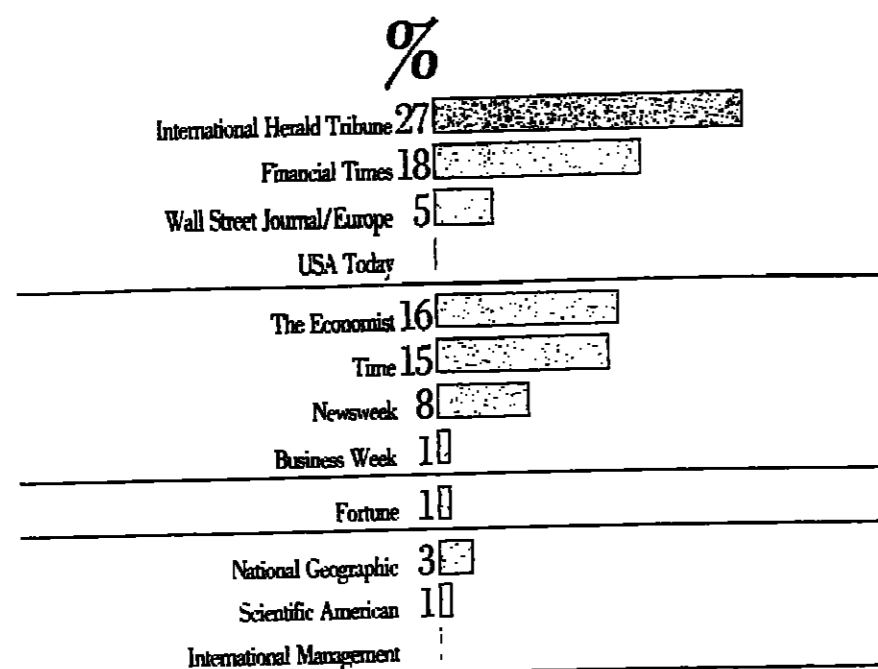
Jyske Bank ECU-Account advertisement. Text: With the Jyske Bank ECU-Account you can now earn a high interest rate. 8.625% p.a. with USD 6,500 as a minimum deposit. Deadline for deposits is 31 March 1992. Includes coupon form for requesting further information.

THE MONEY REPORT

Britain's New Vulture Funds Target Home Market

REACHING THE EUROPEAN LEADERSHIP

Most reliable source of international news*



The eminent Continental Europeans listed in the International Who's Who choose the IHT over any other international publication as a reliable source of international news.

INTERNATIONAL Herald Tribune

By Erik Ipsen

IMPROBABLE as it may seem, growing numbers of Britons are smelling opportunity in the midst of the worst residential property market in decades...

Alongside the young married couples holding hands as they nervously ponder the auction catalogues are a growing corps of professionals eyeballing thick computer print-outs...

What Mr. Fry and others hope is that by the time they are ready to sell their properties the housing slump will be a distant memory...

prime condition. Often they have sat vacant for months. "The banks or building societies tried to sell them through estate agents and couldn't," said Mr. Fry...

Andrew de Candole, Pathfinder's managing director, has a staff of six men who do nothing but look over properties in the London area and attend the dozen public auctions held in the capital every month...

Another threat faced by the fledgling repossession companies is competition. Auctions that a year ago were thinly attended now pull in capacity crowds...

Teasingly, a number of the companies now invading the market for repossessed homes have already been driven out of the market for blocks of residential properties...

Such bargains are now gone. Hence the sudden popularity for repossessed single family homes...

The problem with such hopes — and with the whole phenomenon of wringing profits out of repossessions — is that the companies can easily appear to an outsider to be gaining from the misery of others...



"I can see how someone might worry about the negative publicity," said Ross MacDonald, a partner in Neill Clerk, the Glasgow-based sponsor of Auction Raider PLC...

In fact, Mr. Fry conceded that he had actually faced some hostility in his own office when it came to name his Pathfinder Repossession PLC...

company reflects those public relations concerns. Still, the professionals argue that adding more demand to the depressed housing market will speed its recovery...

But in the meantime, the pain and the potential for profit remain. There were 75,000 repossessions in Britain last year and some analysts predict there will be as many as 100,000 in 1992.

What makes it possible for BES companies like London Repossessions and Auction Raider to make money is that in spite of the awful market for house sales, the rental market has held up well — often at the expense of the purchase market...

INTERNATIONAL FUNDS

Table of international funds with columns for fund name, currency, and price. Includes sections for ABACUS FUNDS, INTER STRATEGIE, and various international equity and bond funds.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.

Market

Best Performing Mutual Funds

Leading mutual funds from Belgium, Britain, France, Germany, Ireland, Italy, Luxembourg, Offshore Territories, Switzerland and the United States. Value of \$100, income reinvested, excluding charges.

Table with columns: Fund, Performance, and Date. Lists various mutual funds like Trans World Future Pool, Schroder Latin American, etc.

Over one year to Feb. 3, 1992

Table with columns: Fund, Performance, and Date. Lists funds like American Inv, Schroder Latin American, etc.

Over five years to Feb. 3, 1992

Table with columns: Fund, Performance, and Date. Lists funds like GNT Spread, Financial Strat-Health SC, etc.

Accounting for Gains in European Stocks

By Rupert Bruce

If you were to take two identical companies with identical prospects but from different countries, their stock prices would probably be different. One likely reason for this would be the different accounting conventions applied internationally.

Accounting rules differ, in particular, between Europe and the Anglo-Saxon countries like the United States and Britain. European accounts give a far more conservative reading of a company's profitability and assets traditionally reveal less information.

But the differences are eroding, helped along by the scheduled introduction of the single European market in goods and services after the end of this year.

David Damant, chairman of MAP Securities Ltd. in Britain, said he thought the enormous demand for capital in Europe will be just as important in driving accounting changes.

Mr. Damant predicted the German accounting system will evolve toward Anglo-Saxon norms in 10 years time.

When European companies have changed their accounting rules recently, the change has often been accompanied by share price rises.

When Sweden's Asea merged with Brown Boveri of Switzerland in the late 1980s, Stephen Kirrage, head of European research at Barclays de Zoete Wedd in London, recommended the stock of the new ABB Asea Brown Boveri partly on the basis of an accounting change, which gave a one-time boost to profits.

But Mr. Kirrage said he has never recommended a stock on the basis of a forthcoming accounting change alone.

Many European companies also have changed their accounting practices in preparation for a listing on the New York Stock Exchange. As a condition of listing on the Big Board, companies have to comply with the rigorous Generally Accepted Accounting Principles.

Mr. Kirrage said he did not think the share price rallies that have often followed a New York listing can be attributed to accounting changes alone.

"It is to do with the fact that a company is suddenly available in the U.S. and it is easily traded in the U.S.," he said.

"The vast majority of U.S. investors do not trade outside the U.S. because it is expensive and compli-

Two Ledgers for P/E Ratios

Real prospective price/earnings ratios 1992, before and after adjustment to British accounting standards.

Table with columns: Country, Unadjusted, Adjusted, Unadjusted, Adjusted. Lists P/E ratios for Britain, Belgium, Germany, Switzerland, Spain.

Source: Morgan Stanley

now attempting to make company accounts as similar as possible throughout the European Community. Most importantly they have introduced a directive that outlines a framework for including the accounts of subsidiary companies with those of the parent.

David Damant, chairman of MAP Securities Ltd. in Britain, said he thought the enormous demand for capital in Europe will be just as important in driving accounting changes. Europe's banks and private fortunes cannot meet companies' cash needs, he said, so they are having to turn to the stock markets.

But stock market investors demand accounts prepared according to accounting standards like those of the International Accounting Standards Committee.

In Germany, the country Mr. Damant regards as the "paradigm" of conservative European accounting, demands for capital to rebuild the East may turn companies to the stock market.

In addition to the demand for capital from the East, Mr. Damant said, Germany is "the dominant economic power in central Europe, and Russia will be bound to look to German companies and the German nation for quite a lot of help.

They won't be able to raise that money without recourse to the capital markets and the more they have to do that the more they will have to take account of what investors

to mention human. Every day, in the midst of this carnage, 5 plants silently become extinct.

Chance alone kept alive those plants mentioned above long enough for them to help us.

Who knows what weapons against cancer, heart disease, AIDS or afflictions yet to come were lost forever in today's batch of 5?

Our latest battle plan covers 132 projects aimed at saving the earth's biological diversity, the intricate interdependence of ecosystems of which plants are the basis.

Join our fight. Help save the plants and organisms which ease the pain and save the lives of humans. Help with your money, your work, your voice.

Start by writing to the WWF National Organisation in your country or complete the form below and send it to WWF International, CH-1196 Gland, Switzerland, now.

It's do or die.

THEY DIE, YOU DIE.

Imagine your fate is entwined with that of a South American vine, or a fragile pink flower in far off Madagascar. If these plants were threatened with extinction, you would spring to their defence.

The rosy periwinkle, scourge of leukaemia.

What if we told you that many patients facing major surgery rely on a muscle relaxant extracted from an Amazonian vine, Chondrodendron tomentosum?

Or that 4 out of 5 children with leukaemia survive, thanks to the chemicals vincristine and vinblastine donated by the rosy periwinkle?

Would the fate of these plants still arouse your concern? If so, read on. It is essential that you be aroused beyond mere concern, to action.

Millions of people with heart ailments depend on foxgloves. These flowers provide the digoxin which regulates their heartbeat.

Many sufferers from hypertension and high blood pressure owe a debt to the Indian snakeroot shrub for its reserpine.

The Amazonian oak, a step nearer an AIDS vaccine.

Extracts from an Amazonian oak tree coagulate proteins, immensely helping scientists in their search for an AIDS vaccine.

People sleep deeply and breathe easily during operations thanks to scopolamine derived from mandrake, henbane and thornapples.

Cancer of the lung, kidney and testis responds to Etoposide, a drug synthesised from mayapples. The Penobscot Indians of Maine have long found mayapple useful against warts.

Women who take the contraceptive pill for granted would not be taking

it at all were it not for the yam. This large tuber is the source of the Pill's active ingredient, diosgenin.

Peptic ulcers heal faster thanks to the pale blue petals and flat brown pods of the liquorice flower, origin of carbenoxalone.

Even the healthiest among us take compounds first discovered in fragrant meadowsweet and willow bark and now known as aspirin.

Though these 13 plants have healed and soothed millions of people, they're but the merest sample from nature's medicine chest. Over a quarter of all prescribed medicines are based on plants.

Meadowsweet, source of the world's most common drug.

Yet, of the estimated 250,000 flowering plants believed to be in existence, tens of thousands remain undiscovered and only some 5,000 have been tested exhaustively for their pharmaceutical attributes. Now this vast store of known and potential medicines is under threat and we are all of us obliged to protect it.

You see, half of the earth's species thrive in the warmth and wetness of tropical rainforests. Just ten square kilometres of Amazonian jungle contain some 2,200 species of plant (numbers of lower plants like lichen and fungi are incalculable, as is their value: Cyclosporin, a product of 2 kinds of fungi, has helped revolutionise transplant surgery in the last decade).

The Armadillo, doomed denizen of the rainforest?

Man is destroying these rainforests. 40 hectares a minute. An area the size of Austria every year.

Every day the bulldozing and polluting continues, countless lives are ruined, animal, bird, reptile, insect, not

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Interest compounds annually to produce a higher return at the end of the deposit period. Higher rates are available for deposits of £5,000 and above. You have the option to change the deposit period and terms from the third year onwards.

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SPORTS

Off the Record, the NBA Has an All-Star Problem

By Ira Berkow
New York Times Service

NEW YORK — How do you feel about playing against Magic in the All-Star Game? Phil Jackson asked a player, one he will be coaching on the East team in Sunday's game in Orlando, Florida.



Phil Jackson, coach of the Chicago Bulls and the East All-Star team. He said his players were uneasy about playing against Magic Johnson in the game on Sunday.

"For the record, or do you want my honest opinion?" asked the player.

"Honest opinion."

"I don't want to guard him," said the player.

Jackson, the Chicago Bulls coach, will direct the National Basketball Association's East team as it takes on the West, with Magic Johnson, and Jackson said he has found that most players hold the same conviction as that anonymous All-Star.

A.C. Green, who were Laker teammates of Johnson — believe that Johnson should not play in the game because he is retired.

The NBA All-Star Game on TV

- Australia: Sport Kanal
Belgium: BRT/Spot Net
Brazil: Screensport
Canada: Sportsnet
Czech Republic: Sportnet
Denmark: DANRAD/Screensport
Finland: CH, J5/Screensport
France: FR3
Germany: Sport Kanal
Greece: Screensport
Hawaii: HRT/Screensport
Italy: Telemig 2
Luxembourg: Sport Net
Netherlands: NOS/RTL-4
Norway: Screensport
Poland: CH 2
Portugal: RTP
Romania: TVR
Russia: Ruslan TV
Spain: TVE 2
Sweden: Screensport
Switzerland: Screensport
Turkey: Magic Box
Yugoslavia: Screensport

will make a more powerful point. "Magic wants to demonstrate that just because you have the virus, doesn't mean you have to be isolated like a leper," said Lon Rosen, Johnson's agent.

Thinking Black Thoughts

The ghetto or B-Ball: Which is More Real? More Rap? By Robert Lipsyte... Michael Jordan, emperor of the air, lost a night's pay (\$40,000) this week after being suspended and fined (\$5,000) for bumping a referee.

Books

THE HEART OF THE WORLD by Nik Cohn. 371 pages. \$21. Alfred A. Knopf Inc., 201 East 50th Street, New York, N.Y. 10022. Reviewed by Jonathan Yardley... The Broadway man has a better idea of life and things in general than any other class of man in the world.

Bridge

By Alan Truscott... In the diagrammed deal, the North-South bidding to four spades was decidedly optimistic. West led a club, and East won the ace and returned the ten. South played three rounds of hearts, discarding a club, and reached this position:

Doonesbury

LET ME GET THIS STRAIGHT... THE FACT IS, THIS IS OLD NEWS! IT'S BEEN CHECKED OUT A MILLION TIMES WITH MY FORMER 'COLLEAGUES!'

Dennis the Menace

RUFF'S AWFUL TOUGH TO MOLE... ...WHEN HE JAMS... ...ON HIS POWER BRAKES!

Bridge

WEST EAST... NORTH SOUTH... South needed six of the last eight tricks. The diamond six was led from dummy. The moment of truth arrived: By taking the ace and shifting to a trump, East would have defeated the game.

Wizard of Id

YOU OINK!! COLLEGE GRADS THINK YOU'RE SO DANGED SMART!

Rex Morgan

MELISSA AND HER CHARMING NIECE ARE HERE! DO YOU WANT ME TO PUT MELISSA IN YOUR EXAMINING ROOM?

Blondie

YOUR SOUL TELLS YOUR HANDS WHERE AND WHAT TO DO... LIKE MICHELANGELO WHEN HE DID THE SISTINE CHAPEL...

Garfield

ONLY AN IDIOT WOULD WATCH A SHOW THIS BAD... IT WAS A RERUN ANYWAY!

Peanuts

DID YOU KNOW THAT BIRDS NAVIGATE BY THE STARS? YOU SHOULD TRY IT... FIX YOUR EYES ON THAT STAR, AND THEN FOLLOW IT... BUT WATCH WHERE YOU'RE GOING..

Beetle Bailey

ZERO, GET ME A DOZEN EGGS AND SEPARATE THE WHITES... RIGHT!... SEPARATE THE WHITES?... EVERY ONE OF THESE DOGGONE EGGS IS WHITE!

Calvin and Hobbes

ON SURE! NICE TRY!... DRAN, DRAN, DRAN DRAN, DRAN!

Wizard of Id

YOU OINK!! COLLEGE GRADS THINK YOU'RE SO DANGED SMART!

Rex Morgan

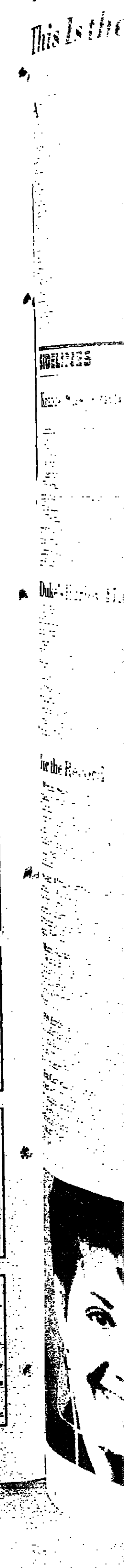
MELISSA AND HER CHARMING NIECE ARE HERE! DO YOU WANT ME TO PUT MELISSA IN YOUR EXAMINING ROOM?

Blondie

YOUR SOUL TELLS YOUR HANDS WHERE AND WHAT TO DO... LIKE MICHELANGELO WHEN HE DID THE SISTINE CHAPEL...

Garfield

ONLY AN IDIOT WOULD WATCH A SHOW THIS BAD... IT WAS A RERUN ANYWAY!



SPORTS

IOC Puts an End to the Soviet Reign, And Rules Out Blood Tests in Albertville

By Christine Brennan

WASHINGTON Post Service
LA LECHERE, France — The International Olympic Committee has adopted a plan that will abolish, once and for all, the former Soviet Olympic juggernaut.

The former Soviet republics — without the three Baltic states — will be unified at the Winter Olympics here and at the Summer Games in Barcelona, but as of Jan. 1, 1993, every former Soviet republic will be able to field its own Olympic and international teams.

"They will compete as the Unified Team this year, but on the first of January 1993, these national Olympic committees will be like all the others," said Friday on the eve of the XVI Winter Olympics here in the French Alps.

Each republic could send teams to international events like the track and field world championships next year in Stuttgart and to the Olympics, beginning with the Lillehammer Winter Games in 1994.

In some ways, this is an extension of what happened when Estonia, Latvia and Lithuania broke away from the other republics and formed their own Olympic teams for 1992. In so doing, they dethroned the Soviet basketball team, which was led primarily by Lithuanians when it

won the gold medal at the 1988 Seoul Games.

But this is much more of a death knell for the vast Soviet sports empire. This presumably will further break up the great Soviet — or Unified Team — sports powerhouses, including what has been the greatest gymnastics team in the world. Athletes from half a dozen republics have represented the Soviet Union in gymnastics in the past few years, and they apparently will splinter off into their own teams after the Barcelona Games.

Track and field will be fractured, too, with pole vaulter Sergei Bubka, one of the most consistent performers in the world, presumably competing for his native Ukraine.

Russia still would be the most formidable republic. Of the 140 athletes who are here representing the Unified Team, 95 percent are Russian.

Vitali Smirnov, an IOC vice president from Russia, said 10 of the 12 republics have said they will attend a March 9 meeting in Lausanne, Switzerland, and the other two are expected to soon say they are coming. At that meeting, it is believed each republic will ask for international recognition of its national Olympic committee and then will begin the process of receiving the necessary recognition of five international sports federations before it be-

comes a full IOC member. That final recognition could come at the IOC general session before the Barcelona Games in July.

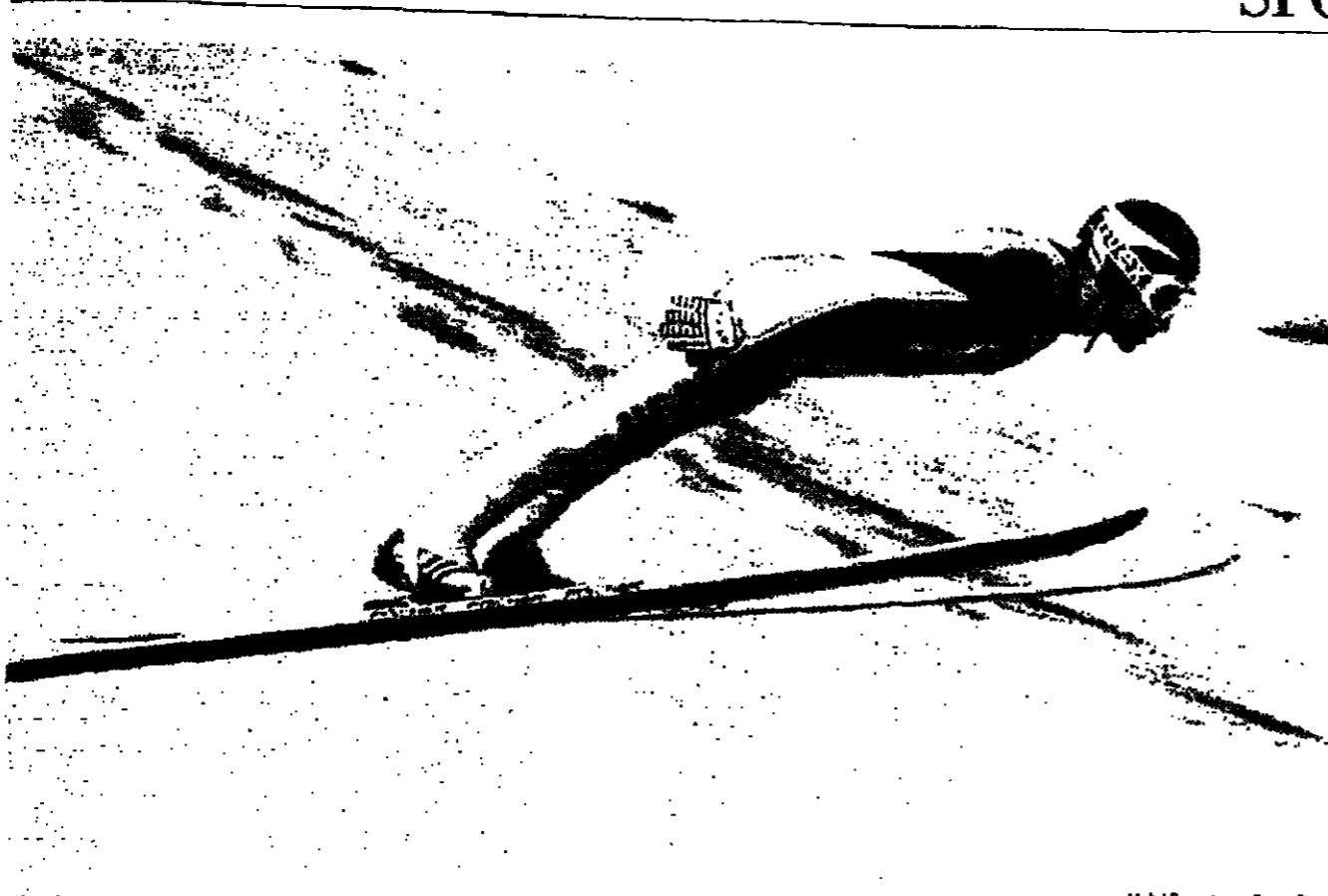
These decisions come two weeks after a meeting between Samaranch and the Russian president, Boris N. Yeltsin, in which the two leaders agreed to the basic concept.

Samaranch said, however, that every nation in the Olympic movement would be invited to at least send a three-person delegation in the opening and closing ceremonies. This also would start in Atlanta in 1996.

On other topics, Samaranch said there definitely would be no blood testing at these Games, ending a controversy created when the IOC's top medical officer said the experimental procedure could be used here.

Samaranch answered another question when he said South Africa, which has been troubled by controversy since being readmitted to the IOC last year, would participate in Barcelona.

He explained his idea about a multicountry Olympics by saying that a nation like Finland, which has no mountains, should not be prevented from hosting the Winter Games. "Maybe we can give the Alpine ski events to another neighboring country," he said. "For us, political borders are not so important."



The American skier Josephi Holland soaring Friday in Courchevel, France, during a practice jump for the nordic combined event.

This Is the Big Time, the French Alps. Please Close Your Eyes.

By Dave Anderson
New York Times Service
ALBERTVILLE, France — Bonjour. My name is Jean-Marie and I am your guide on this tour of the venues for the Winter Games here in the Savoie.

"Where do we get on this bobsled?" You are on it now. Your 53 seats, the driver's seat and my jump seat here in the front. The same buses will be transporting spectators, journalists and yes, the Olympic athletes, too. As we climb, you will see that these mountains are not like your American mountains. Compared to the French Alps, your Rocky Mountains are, how do you say, foothills. Yes, monsieur?

Over there at the Byblot Hotel where the International Olympic Committee met this week, rooms are more than \$500 a night. "You mean 500 francs." No, monsieur, \$500 American. It is a jet-set hangout. Only the IOC members could afford it. But when it snowed all day Tuesday, there was no view. All they saw were snowflakes so big it was as if you opened a

down pillow and the feathers fluttered out. That is the charm up here. Clouds float below your room. Or sometimes past it. Then pool, sunshine again. "Where are we now?" We are on the way around the mountain to Méribel, where the women's Alpine skiing will be held across the valley from the 6,500-seat arena where the hockey games

will be held halfway up this twisting road. "Who will use that arena when the Olympics end?" That, madame, is a very good question that nobody has an answer for. But now, as we go down the mountain, I suggest that you close your eyes. Or if not that, please do not look out the window. "Please, don't guard rail here!" "There, don't all speak at once. Yes, occasionally there is no guard rail but your driver knows the road. "If he skids, he won't know it!" IN THE 55-seat bobsled, that is the chance we must take. But now that we are safely down off that mountain and while we go up to La Plagne where the real bobsled and the luge runs are, then to Tignes for the freestyle, I will tell you the history of the Savoie.

SIDELINES

Krabbe Suspended Over Drug Tests

BERLIN (AP) — Katrin Krabbe, the world sprint champion, and two teammates were suspended Friday by German track officials because of suspicious drug tests.

Duke's Hurley Has a Broken Foot

DURHAM, North Carolina (WP) — Bob Hurley, the star point guard for Duke, the top-ranked U.S. college basketball team, has broken a bone in his right foot.

For the Record

Monica Seles, the world's top-ranked women tennis player, said Thursday she would refuse Jimmy Connors's dare to put up \$1 million to play him in a winner-take-all "battle of the sexes." Seles said she could beat Connors without a handicap. (AP)

Vantage Point

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Baseball Banned Foreign Owners in December

By Murray Chass
New York Times Service
NEW YORK — Major league baseball club owners, currently under fire because of a threat to reject the purchase of the Seattle Mariners by a Japanese-dominated group, in December adopted the policy that bans foreign ownership after rejecting a proposal that would have allowed as much as 37 percent ownership in a team by foreign investors.

Major College Scores

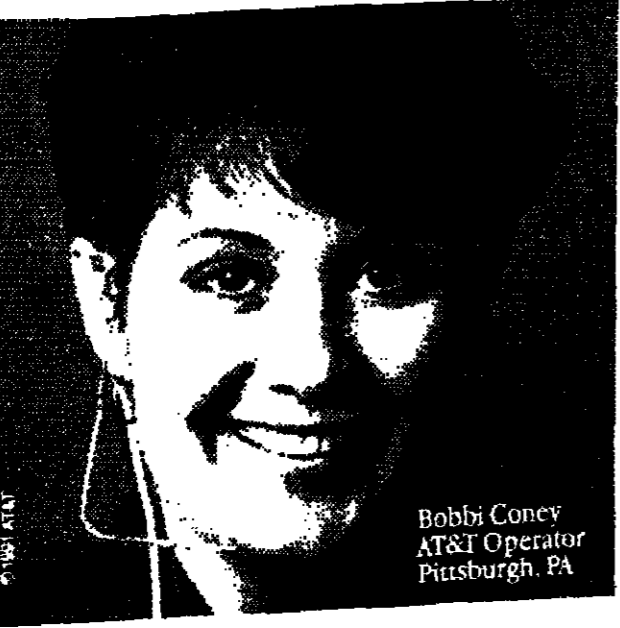
Table with 2 columns: Team Name and Score. Includes teams like Southern Cal, UCLA, and various college basketball scores.

Scoreboard

Table with 3 columns: Conference, Team Name, and Score. Includes NBA Standings for Eastern and Western Conferences.

The Olympic Lineup

Table listing TV channels and times for various Olympic events across different regions like Europe, Asia/Pacific, and North America.



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Or your partner in Palo Alto. Or your banker in Boca Raton. With AT&T USADirect Service, calling the States is fast and easy. You just dial the special AT&T USADirect access number for the country you're in. Within seconds, you'll experience one of the friendliest sounds you can hear when you're away from home. An AT&T Operator offering to help you complete your call. Use your AT&T Calling Card or call collect. And not only can you minimize hotel charges but you can also save with our international rates.

Table showing international phone numbers for various countries like Austria, Belgium, Denmark, etc., with AT&T USADirect access numbers.



The right choice.

DAVE BARRY

A Boy and His PAC

MIAMI—Today, as a leading presidential contender, I am pleased to present my Economic Package. I realize I'm late. The other 53 leading contenders turned in their Economic Packages weeks ago. But I have an excuse: The dog ate my Economic Package.

China's Unruly Friend and Critic

By Laurence Zuckerman
HONG KONG — Next to dozens of Chinese texts on a bookshelf in John Kamm's old office sat a copy of "Mayor," the autobiography of New York's flamboyant former mayor, Edward I. Koch.



John Kamm: Kicking into high gear.

set up a small consulting firm. One of his clients, Diamond Shamrock Corp., was so impressed they decided to buy his business, making him a vice president. And when Diamond Shamrock was bought by Occidental in 1986, Kamm stayed on.

Insult, Injury and Insult

The French chef Paul Bocuse and two of his colleagues are threatening legal action against the McDonald's fast food chain for using their photographs without permission in an advertising campaign in the Netherlands.

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